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By: **Delegates Bozman and Conway**  
Introduced and read first time: February 2, 2004  
Assigned to: Economic Matters

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 23, 2004

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Worcester County - Liquor Dispensaries - Homeowners Associations**

3 FOR the purpose of authorizing liquor dispensaries in Worcester County to be  
4 ~~established and maintained~~ in a housing development, with a certain  
5 population, that is overseen by a homeowners association ~~with a certain~~  
6 ~~minimum membership~~ and that has a special police force commissioned under  
7 State law; requiring that a certain percentage of net profits from the operation  
8 of dispensaries be paid to a certain homeowners ~~associations~~ association for the  
9 benefit of its special police force according to a certain formula; and generally  
10 relating to liquor dispensaries in Worcester County.

11 BY repealing and reenacting, with amendments,  
12 Article 2B - Alcoholic Beverages  
13 Section 15-203(f) and 15-207(h)  
14 Annotated Code of Maryland  
15 (2001 Replacement Volume and 2003 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article 2B - Alcoholic Beverages**

19 15-203.

20 (f) In Worcester County the county liquor dispensaries may be established  
21 and maintained only at Pocomoke City, Snow Hill, Berlin and Ocean City, OR IN A  
22 HOUSING DEVELOPMENT WITH A POPULATION OF AT LEAST 10,000 THAT IS  
23 OVERSEEN BY A HOMEOWNERS ASSOCIATION ~~WITH A MEMBERSHIP OF AT LEAST~~

1 ~~40,000~~ AND THAT HAS A SPECIAL POLICE FORCE COMMISSIONED UNDER TITLE 3,  
2 SUBTITLE 3 OF THE PUBLIC SAFETY ARTICLE, and in any rural areas that may be  
3 approved by the Liquor Control Board and the County Commissioners of Worcester  
4 County.

5 15-207.

6 (h) (1) This subsection applies only in Worcester County.

7 (2) All net profits arising from the operation of these dispensaries are  
8 first applied towards the payment of any and all sums advanced to or borrowed by the  
9 Liquor Control Board. After these sums are paid, the Board is authorized to create  
10 and maintain a reserve fund not to exceed \$400,000. The reserve fund is maintained  
11 to provide adequate working capital and to meet any losses that may be sustained by  
12 the Board in the operation of these dispensaries.

13 (3) Fifty percent of all net profits in excess of the reserve fund shall be  
14 paid to the County Commissioners of Worcester County on or before June 1 each year.  
15 The remaining 50 percent shall be paid on or before June 1 each year to the mayors  
16 and city councils of Berlin, Ocean City, Pocomoke City, and Snow Hill, AND TO ALL  
17 HOMEOWNERS ASSOCIATIONS THAT ESTABLISH AND MAINTAIN OVERSEE A  
18 HOUSING DEVELOPMENT IN WHICH A LIQUOR DISPENSARY HAS BEEN ESTABLISHED  
19 IN ACCORDANCE WITH § 15-203(F) OF THIS SUBTITLE, in proportion to the net profits  
20 on total sales of the dispensaries situated in each of these municipalities AND  
21 HOMEOWNERS ASSOCIATIONS. For purposes of calculating the municipalities' share  
22 and if the County Commissioners consent to it for each municipality, a radius of 2  
23 miles outside of the municipal boundaries shall be considered as being within the  
24 corporate limits. In the rural areas outside of the 2-mile radius of those  
25 municipalities, the net profits shall go to the general funds of Worcester County.

26 (4) (I) The amounts paid to the mayors and city councils of Berlin,  
27 Ocean City, Pocomoke City, and Snow Hill shall be used for general municipal  
28 purposes.

29 (II) THE AMOUNTS PAID TO THE HOMEOWNERS ASSOCIATIONS  
30 SHALL BE USED FOR THE BENEFIT OF THE SPECIAL POLICE FORCES OF THE  
31 HOUSING DEVELOPMENTS IN WHICH A LIQUOR DISPENSARY HAS BEEN  
32 ESTABLISHED.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
34 effect June 1, 2004.

